NATIONAL BANK OF MOLDOVA

DECISION

on the amendment of certain normative acts of the National Bank of Moldova (own funds of banks and capital requirements)

No 76 of 26 March 2026

(in force as of 1 July 2027, with the exception of certain provisions set forth in paragraph 4)

Official Gazette of the Republic of Moldova No 146–147, Article 262 of 2 April 2026

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Pursuant to Articles 60-62 of Law No 202/2017 on the activity of banks (Official Gazette of the Republic of Moldova, 2017, No 434-439, Article 727), as amended, the Executive Board of the National Bank of Moldova

DECIDES:

This decision:

- **partially transposes** (transposes Articles 27 paragraphs (1) and (2); Article 28 paragraphs (1) and (3); Article 29 paragraphs (1) through (5); Article 32 paragraphs (1) and (2); Article 33 paragraph (3); Article 36 paragraph (1), letter d), k), m), n), and paragraph (5), Article 40, Article 45, Articles 47a, 47b, and 47c, Article 52 paragraph (1) letters p) through r), Article 54 paragraph (1) letter e), Article 62 letter d) and the last clause, Article 63 paragraph (1) letters a), n) – p), Article 64 paragraph (1), Article 72a, Article 72b paragraphs (1) – (2) and the last sentence, paragraphs (3) and (7), Articles 72c–72d, Article 72e paragraphs (2) – (3) and (5), Article 72f, Article 72j, paragraphs (1) through (2), Article 72l, Article 73 paragraph (3), Article 76, paragraphs (1) through (3), Article 77, paragraph (1), letter b) and paragraph (2), Article 78, first sentence, paragraph (4), letters d) and e), Article 78a, Article 79a, Article 84 paragraph (1) and the second sentence, Article 85 paragraphs (1) and (3), Article 87 paragraphs (1) and (3), Article 92 paragraphs (3), (4) letter a), and (5), Article 94) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012, published in the Official Journal of the European Union L 176 of 27 June 2013, CELEX: 32013R0575, as last amended by Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024;
- **partially transposes** (transposes Articles 4–7, Article 8, Article 9, Article 12, Article 13a, Article 20 paragraph (2), Article 21, Article 25, Article 26, Article 30 paragraphs (1) and (3), Article 30a, Article 30b, Article 31, Article 32a, Article 34a) Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for own funds and eligible liabilities requirements for institutions, published in the Official Journal of the European Union L 074 of 14 March 2014, CELEX: 32014R0241, as last amended by Commission Regulation (EU) 2023/827 of 11 October 2022;
- **transposes Commission Delegated Regulation (EU) No 523/2014** of 12 March 2014 supplementing Regulation (EU) No 575/ 2013 of the European Parliament and of the Council with regard to regulatory technical standards for determining what constitutes the close correspondence

between the value of an institution's covered bonds and the value of the institution's assets, published in the Official Journal of the European Union L 148 of 20 May 2014, CELEX: 32014R0523.

1. Paragraph 7 of the Regulation on assets and conditional commitments classification, approved by Decision No 231/2011 of the Council of Administration of the National Bank of Moldova (Official Gazette of the Republic of Moldova, 2011, No 216–221, Article 2007), registered with the Ministry of Justice of the Republic of Moldova under No 856 on 1 December 2011, shall be supplemented with the text "taking into account non-performing exposures deducted in accordance with the Regulation on own funds of banks and capital requirements, approved by Decision No 109/2018 of the Executive Board of the National Bank of Moldova".

2. Decision No 109/2018 of the Executive Board of the National Bank of Moldova on the approval of the Regulation on own funds of banks and capital requirements (Official Gazette of the Republic of Moldova, 2018, No 183–194, Article 899), registered with the Ministry of Justice of the Republic of Moldova under No 1332/2018, is amended as follows:

2.1. In the adoption clause of the decision, the text "Law No 548-XIII of 21 July 1995" shall be replaced by the text "Law No 548/1995" and the text "Law No 202 of 6 October 2017" shall be replaced by the corresponding text "Law No 202/2017", and the words "and supplemented" shall be deleted;

2.2. Throughout the Regulation, the text "Law No 202 of 6 October 2017 on the activity of banks" in any grammatical form, shall be replaced by the text "Law No 202/2017," in the corresponding grammatical form.

2.3. The harmonisation clause shall read as follows:

"- Article 4 (1) paragraphs (102)–(104), paragraphs (107)–(114), paragraphs (117)–(120), paragraph (122), paragraph (126), paragraph (128), Article 25, Article 26 (1)-(3), Article 27, Article 28, Article 29, Article 30, Article 31, Article 32, Articles 33-39, Article 40, Articles 41-48, Articles 50-75, Article 76, Articles 77-79, Article 79a, Article 81, Article 82, Article 84 (1), (3), and (5), Article 85 (1), (3), and (5), Article 86, Article 87 (1) and (3), Article 88, Articles 92–94, and Article 99 (1) of Regulation No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, published in the Official Journal of the European Union No L 176 of 27 June 2013, as amended by Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk, and the minimum threshold for capital requirements;

- Articles 2–7, Article 7a, Article 7b (1), Article 8, Article 9, Articles 12–15a (1)–(2), Articles 15b–16 (1), Articles 20–23, Article 24a (1), Articles 25–31, Article 32a, Article 33, and Article 34a (1), (3)–(7) of Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for own funds requirements for institutions, published in the Official Journal of the European Union No L 148/4 of 20 May 2014;

- Commission Delegated Regulation (EU) 2015/923 of 11 March 2015 amending Delegated Regulation (EU) No 241/2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for own funds requirements for institutions, published in the Official Journal of the European Union No L 135 of 2 June 2015;

- Article 2 of Commission Delegated Regulation (EU) No 523/2014 of 12 March 2014 supplementing Regulation (EU) No 575/ 2013 of the European Parliament and of the Council with regard to

regulatory technical standards for determining what constitutes the close correspondence between the value of an institution's covered bonds and the value of the institution's assets, published in the Official Journal of the European Union L 148 of 20 May 2014, CELEX: 32014R0523.".

2.4. In paragraph 1, the words "in the calculation of own funds" are supplemented with the words "and eligible liabilities".

2.5. In paragraph 4:

2.5.1. The text "Law No 202 of 6 October 2017 on the activity of banks" shall be replaced by the text "Law No 202/2017 on the activity of banks (hereinafter referred to as Law No 202/2017)"."

2.5.2. After the term "assets of the defined benefit pension fund," the term "other capital instruments" shall be added with the following content:

"**other capital instruments -** capital instruments issued by financial sector entities that do not qualify as Common Equity Tier 1, Additional Tier 1 or Tier 2 instruments, Tier 1 own-fund insurance items, Additional Tier 1 own-fund insurance items, Tier 2 own-fund insurance items or Tier 3 own-fund insurance items;";

2.5.3. the notion "indirect holding" shall read as follows:

"**indirect holding -** any exposure to an intermediate entity that has an exposure to capital instruments issued by a financial sector entity or to liabilities issued by a bank where, if the value of the capital instruments issued by the financial sector entity or of the liabilities issued by the bank were written off, the losses incurred by that bank as a result would not be materially different from the losses it would incur from a direct holding of those capital instruments issued by the financial sector entity or of those liabilities issued by the bank;";

2.5.4. the notion "synthetic holding" shall be supplemented by the words "or by the amount of the liabilities issued by a bank;";

2.5.5. the notion "distributable items", the words ", those losses and reserves" shall be replaced by the words ", those profits, losses and reserves;";

2.5.6. after the notion "distributable items" shall be supplemented by the terms "resolution entity", "specialised debt restructurer" and "resolution group" as follows:

"**resolution entity** - a resolution entity as defined in Law No 232/2016 on banks recovery and resolution (hereinafter – "Law No 232/2016");

specialised debt restructurer - a bank that, during the previous financial year, met all of the following conditions on both an individual and a consolidated basis:

1) the bank's core business is the acquisition, management and restructuring of non-performing exposures in accordance with a clear and effective internal decision-making process implemented by its governing body;

2) the accounting value determined without taking into account any credit risk adjustments of its own loans granted does not exceed 15 % of its total assets;

3) at least 5 % of the accounting value determined without taking into account any credit risk adjustments of its own loans originated constitutes a total or partial refinancing or adjustment of relevant terms or of purchased non-performing exposures that qualify as a restructuring measure due to financial distress in accordance with paragraphs 67^{13}-67^{16};

4) the total value of the bank's assets does not exceed the MDL equivalent of EUR 20 billion;

5) the bank shall maintain at all times a net stable funding ratio of at least 130%;

6) the bank's demand deposits do not exceed 5 % of the bank's total liabilities.

The specialised debt restructurer shall immediately inform the National Bank of Moldova in writing if one or more of the mentioned conditions are no longer met;

resolution group - a resolution group as defined in Law No 232/2016;".

2.6. The title of Chapter II shall be supplemented by the words “AND ELIGIBLE LIABILITIES”.

2.7. In paragraph 7, the text “26-29” shall be replaced by the text “25^{1}-29”.

2.8. paragraph 9^{1} shall be added with the following content:
“**9^{1}.** The own funds and eligible liabilities of a bank consist of the sum of its own funds and eligible liabilities after applying the deductions in paragraph 109^{21}.”.

2.9. Paragraph 16^{1} shall be added:
“**16^{1}.** For the purposes of paragraph16 sub-paragraph 2), only the part of a capital instrument that has been fully paid up shall be eligible to qualify as a Common Equity Tier 1 instrument.”.

2.10. Paragraphs 19^{1} and 19^{2} shall be added with the following content:
“**19^{1}.** The condition set out in paragraph 16 sub-paragraph 8) letter e) is deemed to be met notwithstanding the fact that a subsidiary is subject to a profit and loss transfer agreement with its parent undertaking, according to which the subsidiary is obliged to transfer, as a result of the preparation of its annual financial statements, its annual result to the parent undertaking, where all of the following conditions are met:
1) the parent undertaking holds 90% or more of the voting rights and capital of the subsidiary;
2the parent undertaking and the subsidiary are located in the Republic of Moldova or the same Member State of the European Union;
3) the agreement was concluded for taxation purposes;
4) when preparing its annual financial statement, the subsidiary has discretion to reduce the amount of distributions by allocating all or part of its profits to its own reserves or funds for general banking risks before making any payment to its parent;
5) the parent company is obliged under the agreement to fully indemnify the subsidiary for all losses of the latter;
6) the agreement is subject to a notice period according to which the agreement can only be terminated by the end of a financial year, with the termination taking effect at the earliest at the beginning of the following financial year, without affecting the parent undertaking’s obligation to fully compensate the subsidiary for all losses incurred during the current financial year.

19^{2}. If the bank has concluded a profit and loss transfer agreement as referred to in paragraph 19^{1}, it shall immediately notify the National Bank of Moldova in writing and submit a copy of the agreement. The Bank shall also immediately inform the National Bank of Moldova of any changes to, and termination of, the profit and loss transfer agreement. The Bank shall not enter into more than one profit and loss transfer agreement.”.

2.11. Chapter III, Section 1 shall be supplemented with Subsection 21, which reads as follows:

“***Subsection 2^{1}***

Capital instruments issued by mutuals, cooperative societies, savings institutions or similar institutions under Common Equity Tier 1 items

23^{1}. Common Equity Tier 1 items shall include any capital instrument issued by an undertaking in accordance with its statutory provisions where the following conditions are met:
1) the company is of a type defined under applicable national law and is considered by the competent authorities to qualify as any of the following:
a) a mutual;
b) a cooperative society;
c) a savings institution;
d) a similar institution;

2) the conditions set out in Subsection 2 and the amendment conditions set out in paragraphs 23^{3} -23^{8} are met.
23^{2}. A specific type of undertaking recognised under applicable national law qualifies as a mutual, cooperative society, savings institution or similar institution for the purposes of this Regulation in accordance with the conditions set out in the Annex 3^{1}.
23^{3}. Capital instruments issued by mutuals, cooperative societies, savings institutions and similar institutions shall qualify as Common Equity Tier 1 instruments only if the conditions laid down in Subsection 2 with the changes resulting from the application of this Subsection are met.
23^{4}. For the purposes of paragraph 23^{3}, the following conditions relating to the redemption of capital instruments shall be met:
1) the company has the possibility to refuse redemption of the instruments, unless prohibited under applicable national law;
2) where the refusal of the institution to redeem the instruments is prohibited under applicable national law, the provisions governing the instruments give the company the possibility to limit their redemption;
3) refusal to redeem the instruments or limitation of redemption of the instruments, as applicable, shall not constitute an event of default of the undertaking.
23^{5}. Capital instruments may include a cap or restriction on the maximum level of distributions only where that cap or restriction is provided for in the applicable national law or in the company's instrument of incorporation.
23^{6}. Where capital instruments confer on the owner rights to the company's reserves in the event of insolvency or liquidation that are limited to the nominal value of the instruments, such limitation shall apply to the same extent to the holders of all other Common Equity Tier 1 instruments issued by that company.
23^{7}. The condition referred to in paragraph 236 is without prejudice to the possibility for a mutual, cooperative society, savings institution or a similar institution to recognize within Common Equity Tier 1 instruments that do not afford voting rights to the holder and that meet all the following conditions:
1) the claim of the holders of the non-voting instruments in the event of the insolvency or liquidation of the company is proportionate to the share of those non-voting instruments in the total Common Equity Tier 1 instruments;
2) the instruments otherwise qualify as Common Equity Tier 1 instruments.
23^{8}. Where capital instruments give their owners the right to a claim on the assets of the company in the event of insolvency or liquidation that is fixed or capped, such limitation shall apply equally to all holders of Common Equity Tier 1 instruments issued by the company.".

2.12. In Section 2 "Prudential filters for treasury cash flow, changes in the value of their own liabilities and additional adjustments of value", Chapter III:

2.12.1. in the Section name, after the word "for" the text "securitised assets," shall be inserted";

2.12.2. section 2 shall be supplemented with paragraphs 25^{1} and 25^{2} as follows:
"**25^{1}.** The bank shall exclude from any element of own funds any increase in equity under the accounting framework resulting from securitised assets, including the following:
1) such an increase associated with future margin income that results in a gain on sale for the bank;
2) where the bank is the originator of a securitisation, net gains that arise from the capitalisation of future income from the securitised assets that provide credit enhancement to positions in the securitisation.
25^{2}. For the purpose of paragraph 25^{1} sub-paragraph 1), the meaning of "gain on sale" is set out in Annex 1.".

2.13. Paragraphs 27^{1} - 27^{3} shall be added with the following context:

“**27^1.** Without prejudice to paragraph 26 sub-paragraph 2), banks may include the amount of gains and losses on their liabilities in their own funds where all the following conditions are met:
1) the liabilities are in the form of bonds and meet the conditions referred to in Article 112 of Law No 171/2012 on the capital market, as applicable on the date on which they were issued, or are covered bonds in accordance with the legislative acts on covered bonds;
2) the changes in the value of the bank's assets and liabilities are due to the same changes in the bank's own credit standing;
3) there is a close correspondence between the value of the bonds referred to in sub-paragraph 1) and the value of the bank's assets;
4) it is possible to redeem the mortgage loans by buying back the bonds financing the mortgage loans at market or nominal value.
27^2. For the purposes of paragraph 27^1 sub-paragraph 3), a close connection shall be deemed to exist where all of the following conditions are met:
1) any change in the fair value of the bonds issued by the bank results, at all times, in equivalent changes in the fair value of the assets underlying the bonds.
2) the mortgage loans underlying the bonds issued by the bank to finance the loans can, at any time, be repaid by repurchasing the bonds at market or nominal value;
3) there is a transparent mechanism for determining the fair value of mortgages and bonds. Determining the value of mortgages includes calculating the fair value of the delivery option.
A close connection shall not be deemed to exist where, in accordance with sub-paragraphs 1)-3), a net profit or loss arises from changes in the value of the underlying bonds or mortgages with the embedded delivery option.
27^3. For the purposes of paragraph 27^2, the delivery option is the possibility to repay the mortgage loan by repurchasing the covered bond at market or nominal value in accordance with paragraph 27^1 sub-paragraph 4).”.

2.14. In paragraph 30:

2.14.1. sub-paragraph 2) shall be supplemented with the following text “, excluding prudently valued software assets the value of which is not negatively affected by the resolution, insolvency or liquidation of the bank”;

2.14.2. paragraph 3^1) shall be added with the following content:
“3^1) for banks calculating risk-weighted exposure amounts using the Internal Ratings Based Approach (IRB Approach), the IRB shortfall, where applicable, calculated in accordance with the National Bank of Moldova normative act on the treatment of credit risk under the IRB Approach;”;

2.14.3. in sub-paragraph 6), after the text “in the financial sector,” shall be supplemented by the words “where those entities and the bank have a reciprocal cross holding,”;

2.14.4. in sub-paragraph 9), after the words “additional Tier 1 own funds” the word “items” shall be added;

2.14.5. sub-paragraph 10) shall read as follows:
“the exposure amount of the following items which qualify for a 1 000 % risk weight, where the bank deducts that exposure amount from the amount of Common Equity Tier 1 items as an alternative to applying a 1 000 % risk weight:

a) qualifying holdings outside the financial sector;

b) securitisation positions, in accordance with the Regulation on the prudential treatment of securitisations, approved by Decision of the Executive Board of the National Bank of Moldova No 221/2025;

c) free deliveries, in accordance with the Regulation on the treatment of settlement/delivery risk for banks, approved by Decision of the Executive Board of the National Bank of Moldova No 115/2018 (hereinafter – Regulation No115/2018);

d) positions in a basket for which the bank cannot determine the risk weight under the IRB Approach in accordance with the National Bank of Moldova regulatory act on the treatment of credit risk under the IRB Approach;

e) exposures in the form of units or shares in a collective investment undertaking (CIU) which are assigned a 1 000 % risk weight in accordance with Regulation No 111/2018.";

2.14.6. sub-paragraphs 12) and 13) shall be added with the following content:
"12) applicable amount of insufficient coverage for non-performing exposures;
13) for a minimum value commitment as referred to in Regulation No 111/2018, any amount by which the current market value of the units or shares in CIUs underlying the minimum value commitment is less than the present value of the minimum value commitment and for which the bank has not already recognised a reduction of Common Equity Tier 1 items.".

2.15. Paragraph 31^{1} shall be added with the following content:
"**31^{1}**. For the purposes of paragraph 30, sub-paragraph 12), by way of derogation from paragraphs 67^{17}-67^{26}, after notifying the National Bank of Moldova in writing, the applicable amount of insufficient coverage for non-performing exposures purchased by a specialised debt restructurer shall be zero. The derogation set out in this paragraph shall apply on an individual basis and, in the case of groups where all banks qualify as specialised debt restructurers, on a consolidated basis.".

2.16. Paragraph 37^{1} shall read as follows:
"**37^{1}.** For the purposes of paragraph 30, sub-paragraph 2), prudently valued software assets the value of which is not adversely affected by the resolution, insolvency or liquidation of the bank shall be determined by applying the prudential treatment based on amortisation for prudential purposes determined in accordance with Annex No 4^{1}.".

2.17. In paragraph 46, the text "Regulation on the treatment of banks' credit risk according to the standardised approach, approved by the Decision of the Executive Board of the National Bank of Moldova No 111 of 24 May 2018 (hereinafter referred to as "Regulation No 111/2018)" shall be replaced with the text "Regulation No 111/2018 or in accordance with the normative acts of the National Bank of Moldova on the treatment of credit risk for banks under the Internal Ratings Based Approach,".

2.18. In Subsection 5 "Deduction of the assets of the defined benefit pension fund" of Section 3, Chapter III:

2.18.1. the title of subsection 5 shall read as follows:

"***Deduction of negative amounts resulting from the calculation of expected loss amount and assets of the defined benefit pension fund***";

2.18.2. paragraph 46^{1} shall be added with the following content:
"**46^{1}.** The amount to be deducted in accordance with paragraph 30 sub-paragraph 3^{1}) shall not be reduced by an increase in the level of deferred tax assets that rely on future profitability, or other additional tax effects, that could arise if provisions were to reach the level of expected losses referred to in the "expected loss amounts" section of the National Bank of Moldova's normative acts on the treatment of credit risk under the Internal Ratings Based Approach.".

2.19. Paragraph 48 shall be supplemented with the text "or in accordance with the National Bank of Moldova's normative acts on the treatment of credit risk for banks under the Internal Ratings Based Approach, as applicable".

2.20. Paragraph 55 sub-paragraph 1) letter a) shall read as follows:

"a) the maturity date of the short position is either the same as or later than the maturity date of the long position or the residual maturity of the short position is at least one year;".

2.21. In paragraph 56 sub-paragraph 1):

2.21.1. in letter a), the text "paragraphs 26-29" shall be replaced with the text "paragraphs 25^{1}-29";

2.21.2. in letter b) the text "10) and 11)" shall be replaced with the text "10) letters b) - e) and 11) - 13)".

2.22. In paragraph 59, after the text "Regulation No 111/2018" the words "or in accordance with the National Bank of Moldova's normative acts on the treatment of credit risk for banks under the Internal Ratings Based Approach" shall be added.

2.23. In paragraph 63, sub-paragraph 1) and 2):

2.23.1. letter a), the text "paragraphs 26-29" shall be replaced with the text "paragraphs 25^{1}-29";

2.23.2. letter b), the text "10) - 11)" shall be replaced with the text "10) letters b) - e) and 11) - 13)".

2.24. In paragraph 64 sub-paragraph 1), the text "paragraphs 26-30" shall be replaced with the text "paragraphs 25^{1}-30".

2.25. Chapter III Section 3, shall be supplemented with Subsections 11 and 12 with the following content:

"***Subsection 11***

Non-performing exposures and forbearance measures

67^{1}. For the purposes of paragraph 30 sub-paragraph 12), the term "exposure" shall include any of the following items, provided they are not included in the trading book of the bank:
1) a debt instrument, including a debt security, a loan, an advance and a demand deposit;
2) a loan commitment given, a financial guarantee given or any other commitment given, irrespective of whether it is revocable or irrevocable, with the exception of undrawn credit facilities that may be cancelled unconditionally at any time and without notice, or that effectively provide for automatic cancellation due to deterioration in the borrower's creditworthiness.

67^{2}. For the purposes of paragraph 30 sub-paragraph 12), the exposure value of a debt instrument shall be its accounting value measured without taking into account any specific credit risk adjustments, additional value adjustments in accordance with paragraph 28 sub-paragraph 1) and amounts deducted in accordance with paragraph 30 sub-paragraph 12), other own funds reductions related to the exposure or partial write-offs made by the institution since the last time the exposure was classified as non-performing.

67^{3}. For the purposes of paragraph 30 sub-paragraph 12), the exposure value of a debt instrument that was purchased at a price lower than the amount owed by the debtor shall include the difference between the purchase price and the amount owed by the debtor.

67^{4}. For the purposes of paragraph 30 sub-paragraph 12), the exposure value of a loan commitment given, a financial guarantee given or any other commitment given as referred to in paragraph 67^{1} sub-paragraph 2) shall be its nominal value, which shall represent the bank's maximum exposure to credit risk without taking account of any funded or unfunded credit protection. The nominal value of a loan commitment given shall be the undrawn amount that the bank has committed to lend and the nominal value of a financial guarantee given shall be the maximum amount the entity could have to pay if the guarantee is called on.

67^{5}. The nominal value referred to in paragraph 67^{4} shall not take into account any specific credit risk adjustment, additional value adjustments in accordance with paragraph 28 sub-paragraph 1) and

amounts deducted in accordance with paragraph 30 sub-paragraph 12) or other own funds reductions related to the exposure.

67^{6}. For the purposes of paragraph 30 sub-paragraph 12), the following exposures shall be classified as non-performing:

1) an exposure in respect of which a default is considered to have occurred in accordance with Section 3, Chapter III of Regulation 111/2018;

2) an exposure which is considered to be impaired in accordance with the accounting framework;

3) an exposure under probation pursuant to paragraph 67^{12}, where additional forbearance measures are granted or where the exposure becomes more than 30 days past due;

4) an exposure in the form of a commitment that, were it drawn down or otherwise used, would likely not be paid back in full without realisation of collateral;

5) an exposure in form of a financial guarantee that is likely to be called by the guaranteed party, including where the underlying guaranteed exposure meets the criteria to be considered as non-performing.

67^{7}. For the purposes of paragraph 67^{6} sub-paragraph 1), where a bank has on-balance-sheet exposures to an obligor that are past due by more than 90 days and that represent more than 20 % of all on-balance-sheet exposures to that obligor, all on- and off-balance-sheet exposures to that obligor shall be considered to be non-performing.

67^{8}. Exposures that have not been subject to a forbearance measure shall cease to be classified as non-performing for the purposes of paragraph 67^{6} sub-paragraph 1 where all the following conditions are met:

1) the exposure meets the exit criteria applied by the bank for the discontinuation of the classification as impaired in accordance with the applicable accounting framework and of the classification as defaulted in accordance with Section 3, Chapter III of the Regulation 111/2018;

2) the situation of the obligor has improved to the extent that the bank is satisfied that full and timely repayment is likely to be made;

3) he obligor does not have any amount past due by more than 90 days.

67^{9}. The classification of a non-performing exposure as non-current asset held for sale in accordance with the applicable accounting framework shall not discontinue its classification as non-performing exposure for the purposes of paragraph 30 sub-paragraph 12).

67^{10}. Non-performing exposures subject to forbearance measures shall cease to be classified as non-performing for the purposes of paragraph 30 sub-paragraph 12) where all the following conditions are met:

1) the exposures have ceased to be in a situation that would lead to their classification as non-performing under paragraph 67^{6};

2) at least one year has passed since the date on which the forbearance measures were granted and the date on which the exposures were classified as non-performing, whichever is later;

3) there is no past-due amount following the forbearance measures and the bank, on the basis of the analysis of the obligor's financial situation, is satisfied about the likelihood of the full and timely repayment of the exposure.

67^{11}. Full and timely repayment may be considered likely where the obligor has executed regular and timely payments of amounts equal to either of the following:

1) the amount that was past due before the forbearance measure was granted, where there were amounts past due;

2) the amount that has been written-off under the forbearance measures granted, where there were no amounts past due.

67^{12}. Where a non-performing exposure has ceased to be classified as non-performing pursuant to paragraph 67^{10}, such exposure shall be under probation until all the following conditions are met:

1) at least two years have passed since the date on which the exposure subject to forbearance measures was re-classified as performing;
2) regular and timely payments have been made during at least half of the period that the exposure would be under probation, leading to the payment of a substantial aggregate amount of principal or interest;
3) none of the exposures to the obligor is more than 30 days past due.

67^{13}. Forbearance measure is a concession by a bank towards an obligor that is experiencing or is likely to experience difficulties in meeting its financial commitments. A concession may entail a loss for the lender and shall refer to either of the following actions:
1) a modification of the terms and conditions of a debt obligation, where such modification would not have been granted had the obligor not experienced difficulties in meeting its financial commitments;
2) a total or partial refinancing of a debt obligation, where such refinancing would not have been granted had the obligor not experienced difficulties in meeting its financial commitments.

67^{14}. At least the following situations shall be considered forbearance measures:
1) new contract terms are more favourable to the obligor than the previous contract terms, where the obligor is experiencing or is likely to experience difficulties in meeting its financial commitments;
2) new contract terms are more favourable to the obligor than contract terms offered by the same bank to obligors with a similar risk profile at that time, where the obligor is experiencing or is likely to experience difficulties in meeting its financial commitments;
3) the exposure under the initial contract terms was classified as non-performing before the modification to the contract terms or would have been classified as non-performing in the absence of modification to the contract terms;
4) the measure results in a total or partial cancellation of the debt obligation;
5) the bank approves the exercise of clauses that enable the obligor to modify the terms of the contract and the exposure was classified as non-performing before the exercise of those clauses, or would be classified as non-performing were those clauses not exercised;
6) at or close to the time of the granting of debt, the obligor made payments of principal or interest on another debt obligation with the same bank, which was classified as a non-performing exposure or would have been classified as non-performing in the absence of those payments;
7) the modification to the contract terms involves repayments made by taking possession of collateral, where such modification constitutes a concession.

67^{15}. The following circumstances are indicators that forbearance measures may have been adopted:
1) the initial contract was past due by more than 30 days at least once during the three months prior to its modification or would be more than 30 days past due without modification;
2) at or close to the time of concluding the credit agreement, the obligor made payments of principal or interest on another debt obligation with the same bank that was past due by 30 days at least once during the three months prior to the granting of new debt;
3) the bank approves the exercise of clauses that enable the obligor to change the terms of the contract, and the exposure is 30 days past due or would be 30 days past due were those clauses not exercised.

67^{16}. For the purposes of paragraphs 67^{13}-67^{15}, the difficulties experienced by an obligor in meeting its financial commitments shall be assessed at obligor level, taking into account all the legal entities in the obligor's group which are included in the accounting consolidation of the group, and natural persons who control that group.

Subsection 12
Deduction for non-performing exposures

67^{17}. For the purposes of paragraph 30 sub-paragraph 12), banks shall determine the applicable amount of insufficient coverage, separately for each non-performing exposure, to be deducted from Common Equity Tier 1 items by subtracting the amount determined in sub-paragraph 2) from the

amount determined in sub-paragraph 1), where the amount referred to in sub-paragraph 1) exceeds the amount referred to in sub-paragraph 2):
1) the sum of:
a) the unsecured part of each non-performing exposure, if any, multiplied by the applicable factor referred to in paragraph 67^{20};
b) the secured part of each non-performing exposure, if any, multiplied by the applicable factor referred to in paragraph 67^{21};
2) the sum of the following items provided they relate to the same non-performing exposure:
a) specific credit risk adjustments;
b) additional value adjustments in accordance with paragraph 28;
c) other own funds reductions;
d) for banks calculating risk-weighted exposure amounts using the IRB Approach, the absolute value of the amounts deducted pursuant to paragraph 30 sub-paragraph 31), which relate to non-performing exposures, where the absolute value attributable to each non-performing exposure is determined by multiplying the amounts deducted pursuant to paragraph 30 sub-paragraph 31) by the percentage of the expected loss amount for the non-performing exposure to total expected loss amounts for defaulted or non-defaulted exposures, as applicable;
e) where a non-performing exposure is purchased at a price lower than the amount owed by the debtor, the difference between the purchase price and the amount owed by the debtor;
f) amounts written-off by the bank since the exposure has been classified as non-performing.
67^{18}. The secured part of a non-performing exposure is that part of the exposure which, for the purpose of calculating own funds requirements in accordance with the normative acts of the National Bank of Moldova on the treatment of credit risk and credit risk mitigation techniques, is considered to be covered by funded or unfunded credit protection or to be fully and completely secured by mortgages.
67^{19}. The unsecured part of a non-performing exposure corresponds to the difference, if any, between the exposure value as referred to in paragraph 67^{1}, and the secured part of the exposure, if any.
67^{20}. For the purposes of paragraph 67^{17} sub-paragraph 1) letter a), the following factors shall apply:
1) 0,35 for the unsecured part of a non-performing exposure to be applied during the period between the first and the last day of the third year following its classification as non-performing;
2) 1 for the unsecured part of a non-performing exposure to be applied as of the first day of the fourth year following its classification as non-performing.
67^{21}. For the purposes of paragraph 67^{17} sub-paragraph 1) letter b), the following factors shall apply:
1) 0,25 for the secured part of a non-performing exposure to be applied during the period between the first and the last day of the fourth year following its classification as non-performing;
2) 0,35 for the secured part of a non-performing exposure to be applied during the period between the first and the last day of the fifth year following its classification as non-performing;
3) 0,55 for the secured part of a non-performing exposure to be applied during the period between the first and the last day of the sixth year following its classification as non-performing;
4) 0,70 for the part of a non-performing exposure secured by immovable property pursuant to the normative acts of the National Bank of Moldova on the treatment of credit risk and credit risk mitigation techniques or that is a residential loan guaranteed by an eligible protection provider as referred to in paragraph 36 of the Regulation on credit risk mitigation techniques of banks approved by Decision of the Executive Board of the National Bank of Moldova No 112/2018 (hereinafter – Regulation No 112/2018), shall be applied during the period between the first and the last day of the seventh year following its classification as non-performing;
5) 0,80 for the part of a non-performing exposure secured by other funded or unfunded credit protection pursuant to the credit risk treatment normative acts of the National Bank of Moldova to be

applied during the period between the first and the last day of the seventh year following its classification as non-performing;
6) 0,80 for the part of a non-performing exposure secured by immovable property pursuant to the normative acts of the National Bank of Moldova on the treatment of credit risk and credit risk mitigation techniques or that is a residential loan guaranteed by an eligible protection provider referred to in paragraph 36 of Regulation No 112/2018 – shall be applied during the period between the first and the last day of the eighth year following its classification as non-performing;
7) 1 for the part of a non-performing exposure secured by other funded or unfunded credit protection pursuant to normative acts of the National Bank of Moldova on the treatment of credit risk and credit risk mitigation techniques to be applied as of the first day of the eighth year following its classification as non-performing;
8) 0,85 for the part of a non-performing exposure secured by immovable property pursuant to the normative acts of the National Bank of Moldova on the credit risk treatment and credit risk mitigation techniques or that is a residential loan guaranteed by an eligible protection provider referred to in paragraph 36 of Regulation No 112/2018 shall be applied during the period between the first and the last day of the ninth year following its classification as non-performing;
9) 1 for the part of a non-performing exposure secured by immovable property pursuant to the normative acts of the National Bank of Moldova on the treatment of credit risk and credit risk mitigation techniques or that is a residential loan guaranteed by an eligible protection provider as referred to in paragraph 36 of Regulation No 112/2018 – shall apply as of the first day of the tenth year following its classification as non-performing.
67^{22}. By way of derogation from paragraph 67^{21}, the following factors shall apply to the part of the non-performing exposure guaranteed or counter-guaranteed by an eligible protection provider referred to in paragraph 36 sub-paragraphs 1) to 2) of Regulation No 112/2018, unsecured exposures which would be assigned a risk weight of 0 % under Regulation No 111/2018:
1) 0 for the secured part of the non-performing exposure to be applied during the period between one year and seven years following its classification as non-performing; and
2) 1 for the secured part of the non-performing exposure to be applied as of the first day of the eighth year following its classification as non-performing, unless the eligible protection provider agreed to fulfil all payment obligations of the obligor towards the institution in full and in accordance with the original contractual payment schedule, in which case a factor of 0 for the secured part of the non-performing exposure shall apply.
67^{23}. By way of derogation from paragraph 67^{21}, the part of the non-performing exposure guaranteed or insured by an official export credit agency shall not be subject to the requirements laid down in this Subsection.
67^{24}. By way of derogation from paragraph 67^{20}, where an exposure has been granted a forbearance measure between one year and two years after its classification as non-performing, the factor applicable in accordance with paragraph 67^{20} at the date when the forbearance measure is granted shall apply for an additional period of one year.
67^{25}. By way of derogation from paragraph 67^{21} where an exposure has been granted a forbearance measure between two and six years after its classification as non-performing, the factor applicable in accordance with paragraph 67^{21} at the date when the forbearance measure is granted shall apply for an additional period of one year.
67^{26}. The requirements of paragraphs 67^{24} and 67^{25} shall only apply in respect of the first forbearance measure that has been granted since the classification of the exposure as non-performing.".

2.26. In paragraph 70:
2.26.1. sub-paragraph 1) shall read as follows:

“1) the instruments are directly issued by a bank and fully paid up. Only the part of a capital instrument that is fully paid up shall be eligible to qualify as an Additional Tier 1 instrument;”;

2.26.2. sub-paragraph 2), the word “purchased” shall be replaced by the word “held”;

2.26.3. sub-paragraph 3), after the word “purchase” shall be supplemented with the words “of ownership of”;

2.26.4. sub-paragraph 8), the words “purchase options” shall be replaced with the text “early redemption options, including call options”;

2.26.5. sub-paragraph 10) shall read as follows:

“10the provisions governing the instruments do not indicate explicitly or implicitly that the instruments would be called, redeemed or repurchased, as applicable, by the bank other than in the insolvency or liquidation of the bank and the bank does not otherwise provide such an indication;”;

2.26.6. sub-paragraph 16) is repealed;

2.26.7. paragraphs 17)-20) shall be added with the following content:

“17) where the issuer is established in a third country and has been designated as part of a resolution group the resolution entity of which is established in the Republic of Moldova or in a Member State of the European Union, or where the issuer is established in a Member State of the European Union, the law or contractual provisions governing the instruments require that, upon a decision by the resolution authority to exercise the write-down and conversion powers referred to in Articles 219 to 225 of Law No 232/2016, the principal amount of the instruments is to be written down on a permanent basis or the instruments are to be converted into Common Equity Tier 1 instruments;”;

18) where the issuer is established in a third country and has not been designated as part of a resolution group the resolution entity of which is established in a Member State of the European Union, the law or contractual provisions governing the instruments require that, upon a decision by the relevant third-country authority, the principal amount of the instruments is to be written down on a permanent basis or the instruments are to be converted into Common Equity Tier 1 instruments;

19) where the issuer is established in a third country and has been designated as part of a resolution group, the resolution entity of which is established in or in a Member State of the European Union, or where the issuer is established in a Member State of the European Union, the instruments may only be issued under, or be otherwise subject to, the laws of a third country if, under those laws, the exercise of the write-down and conversion powers referred to in Articles 219 to 225 of Law No 232/2016 is effective and enforceable on the basis of statutory provisions or legally enforceable contractual provisions recognising resolution or other write-down or conversion actions;

20) the instruments are not subject to set-off or netting arrangements that would undermine their capacity to absorb losses.”.

2.27. In paragraph 71:

2.27.1. in the introductory paragraph, the words “and paragraph 97, sub-paragraph 8),” shall be replaced with the text “, of paragraph 97 sub-paragraph 8), as well as the paragraph 109^5, sub-paragraph 7),” and after the words “capital instrument” shall be supplemented with the word “or liability”;

2.27.2. sub-paragraph 1), after the word “instrument” shall be supplemented with the words “or liability”;

2.27.3. sub-paragraph 3), after the word “instrument” shall be supplemented with “or liability”;

2.27.4. sup-paragraphs 4), 5) and 6) shall be added with the following content:

“4) a call option linked to an increase in the credit spread of the instrument or liability if the call option is not exercised;

5) a call option linked to a change in the reference rate if the credit spread above the second reference rate is higher than the initial payment rate minus the swap rate;

6) a re-marketing option linked to an increase in the credit spread of the instrument or liability or a change in the reference rate if the credit spread above the second reference rate is higher than the original payment rate minus the swap rate if the instrument or liability is not re-marketed.”.

2.28. Paragraph 73 shall be supplemented with sub-paragraph 5) with the following content:
“5) where the Additional Tier 1 instruments have been issued by a subsidiary undertaking established in a third country, the 6,5% or higher trigger referred to in sub-paragraph 1) be calculated in accordance with the national law of that third country or the contractual provisions governing the instruments, provided that those provisions are at least equivalent to the requirements set out in this Section.”.

2.29. In paragraph 81 sub-paragraph 6), the text “No 110 of 24 May 2018” shall be replaced with the text “No 110/2018”.

2.30. Paragraph 90 sub-paragraph 1) letter a) shall read as follows:
“a) the maturity date of the short position is either the same as or later than the maturity date of the long position or the residual maturity of the short position is at least one year;”.

2.31. In paragraph 91 sub-paragraph 1):
2.31.1. in letter a), the text “paragraphs 26-29” shall be replaced with the text “25[1]-29”;
2.31.2. in letter b), the text “10) and 11)” shall be replaced with the text “10) letter b) - e) and 11) - 13)”.

2.32. In paragraph 96:
2.32.1. sub-paragraph 1) shall be supplemented with the text “and to the extent specified in paragraph 98”;
2.32.2. sub-paragraph 4) shall be added with the following content:
“4) IRB excess, before tax where applicable, of up to 0.6 % of risk-weighted exposure amounts calculated in accordance with the normative act of the National Bank of Moldova regarding the treatment of credit risk under the internal ratings-based approach, for banks that calculate risk-weighted exposure amounts in accordance with the Internal Ratings Based Approach.”.

2.33. Paragraph 96[1] shall be added with the following content:
“**96[1].** Instruments included in paragraph 96 sub-paragraph 1) shall not qualify as Common Equity Tier 1 or Additional Tier 1 items.”.

2.34. Paragraph 97:
2.34.1. sub-paragraph 1) shall read as follows:
“1) the instruments are issued or subordinated liabilities are, as the case may be, raised directly by a bank and fully paid up. Only the part of the capital instrument that has been fully paid up is eligible to qualify as a Tier 2 instrument;”;
2.34.2. in sub-paragraph4), the words “entirely subordinated to the claims of all non-subordinated creditors” shall be replaced by the words “ranking below any claim from eligible liabilities instruments”;
2.34.3. in sub-paragraph 9), the words “to buy or repay in advance” shall be replaced with the words “of early repayment, including call options”;
2.34.4. in sub-paragraph 10) the words “related”, “in advance” and “or, as the case may be” shall be excluded;
2.34.5. sub-paragraph 14) shall read as follows:
“14) where the issuer is established in a third country and has been designated as part of a resolution group the resolution entity of which is established in the Republic of Moldova or in a Member State of the European Union, or where the issuer is established in a Member State of the European Union, the law or contractual provisions governing the instruments require that, upon a

decision by the resolution authority to exercise the write-down and conversion powers referred to in paragraphs 219 to 225 of Law No 232/2016, the principal amount of the instruments is to be written down on a permanent basis or the instruments are to be converted into Common Equity Tier 1 instruments;";

2.34.6. sub-paragraphs 15), 16) and 17) shall be added with the following content:
"15) where the issuer is established in a third country and has not been designated as part of a resolution group the resolution entity of which is established in a Member State of the European Union, the law or contractual provisions governing the instruments require that, upon a decision by the relevant third-country authority, the principal amount of the instruments is to be written down on a permanent basis or the instruments are to be converted into Common Equity Tier 1 instruments;
16) where the issuer is established in a third country and has been designated as part of a resolution group the resolution entity of which is established in the Republic of Moldova or in a Member State of the European Union, or where the issuer is established in a Member State of the European Union, the instruments may only be issued under, or be otherwise subject to the laws of a third country where, under those laws, the exercise of the write-down and conversion powers referred to in paragraphs 219 to 225 of Law No 232/2016 is effective and enforceable on the basis of statutory provisions or legally enforceable contractual provisions recognising resolution or other write-down or conversion actions;
17) the instruments are not subject to set-off or netting arrangements that would undermine their capacity to absorb losses."

2.35. Paragraph 97^1 shall be added with the following content:
"**97^1.** The full amount of Tier 2 instruments with a residual maturity of more than five years shall qualify as Tier 2 items.".

2.36. In paragraph 98 sub-paragraph 1), the words "the nominal amount of" shall be replaced with the words "the carrying amount of".

2.37. Paragraph 100 shall be supplemented with sub-paragraph 5) as follows:
"5) the amount of items required to be deducted from eligible liabilities items that exceeds the bank's eligible liabilities items.".

2.38. In paragraph 104 sub-paragraph 1) letter a) shall read as follows:
"a) the maturity date of the short position is either the same as, or later than the maturity date of the long position or the residual maturity of the short position is at least one year;".

2.39. In paragraph 105 sub-paragraph 1) letter b), the text "10) and 11)" shall be replaced with "10) letters b) - e) and 11) - 13)".

2.40. Chapter V^1 shall be added with the following wording:

"Chapter V^1
ELIGIBLE LIABILITIES

Section 1
Eligible liabilities items and instruments

Subsection 1
Eligible liabilities items

109^1. Eligible liabilities items, unless they belong to one of the categories of excluded liabilities set out in paragraph 109^2 and to the extent specified in paragraphs 109^{12}-109^{16}, shall consist of:
1) eligible liabilities instruments where the conditions set out in paragraphs 109^4-109^{11}, are met, to the extent that they do not qualify as Common Equity Tier 1, Additional Tier 1 or Tier 2 items;
2) Tier 2 instruments with a residual maturity of at least one year, to the extent that they do not qualify as Tier 2 items in accordance with paragraph 98.
109^2. The following liabilities shall be excluded from eligible liabilities items:

1) deposits guaranteed under Law No 160/2023 on bank deposit guarantees (hereinafter – Law No 160/2023);
2) sight deposits and short term deposits with an original maturity of less than one year;
3) the part of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceeds the coverage level referred to in Law No 160/2023;
4) deposits that would be eligible deposits from natural persons and micro, small and medium-sized enterprises if they were not made through branches located outside the Republic of Moldova or through Member States of the European Union of banks established in the Republic of Moldova;
5) secured liabilities, including covered bonds and liabilities in the form of financial instruments used for hedging purposes, that form an integral part of the cover pool and which under national law are secured in a way similar to covered bonds, provided that all secured assets relating to a covered bond cover pool remain unaffected, segregated and with enough funding and excluding any part of a secured liability or a liability covered by collateral that exceeds the value of the assets, pledge, lien or collateral backing it;
6) any liability that arises by virtue of the holding of client assets or client money, including client assets or client money held on behalf of collective investment undertakings, provided that such a client is protected under applicable insolvency law;
7) any liability that arises by virtue of a fiduciary relationship between the resolution entity or any of its subsidiaries (as fiduciary) and another person (as beneficiary), provided that such beneficiary is protected under the applicable insolvency or civil law;
8) liabilities to banks, excluding liabilities to entities that are part of the same group, with an original maturity of less than seven days;
9) liabilities with a remaining maturity of less than seven days, owed to:
a) systems or operators of systems designated pursuant to Law No 183/2016 on settlement finality in payment and financial instruments settlement systems;
b) participants in a given system, designated in accordance with Law No 183/2016 on settlement finality in payment and financial instruments settlement systems, and liabilities arising from participation in such a system; or
c) third-country central counterparties (CCPs) recognised under market infrastructure legislation;
10) a liability to:
a) an employee, in relation to accrued salary, pension benefits or other fixed remuneration, except for the variable component of remuneration that is not regulated by a collective bargaining agreement and except for the variable component of the remuneration of material risk takers as referred to in Article 39 of Law No 202/2017;
b) a commercial creditor where the liability arises from the provision to the bank or parent undertaking of goods or services that are critical to the daily functioning of the business of the institution or parent undertaking, including IT services, utilities and the rental, servicing and upkeep of premises;
c) tax and social security authorities, provided that those liabilities are preferred under the applicable law;
d) deposit guarantee schemes where the liability arises from contributions due in accordance with Law No 160/2023;
11) liabilities arising from derivatives;
12) liabilities arising from debt instruments with embedded derivatives.
109^3. For the purposes of paragraph 109^2 sub-paragraph 12), debt instruments containing early redemption options exercisable at the discretion of the issuer or of the holder, and debt instruments with variable interests derived from a broadly used reference rate such as Euribor, shall not be considered as debt instruments with embedded derivatives solely because of such features.

Subsection 2
Eligible liabilities instruments

109^4. Liabilities shall qualify as eligible liabilities instruments if they comply with the conditions laid down in this Subsection and only to the extent specified in this Subsection.

109^5. Liabilities shall qualify as eligible liabilities instruments, provided that all the following conditions are met:

1) the liabilities are issued directly or, as the case may be, obtained directly by a bank and are paid in full. Only the parts of liabilities that have been fully paid are eligible to qualify as eligible liabilities instruments;

2) the liabilities are not owned by any of the following:

a) the bank or an entity included in the same resolution group;

b) by an undertaking in which the bank has a direct or indirect participation in the form of ownership, direct or by way of control, of 20 % or more of the voting rights or capital of that undertaking;

3) the acquisition of ownership of liabilities is not funded directly or indirectly by the resolution entity;

4) the claim on the principal amount of the liabilities under the provisions governing the instruments is wholly subordinated to claims arising from the excluded liabilities referred to in paragraph 109^2. The subordination requirement shall be considered to be met in any of the following situations:

a) the contractual provisions governing the liabilities specify that in the event of normal insolvency proceedings as defined in Law No 232/2016, the claim on the principal amount of the instruments ranks below claims arising from any of the excluded liabilities referred to in paragraph 109^2;

b) the applicable law specifies that in the event of compulsory liquidation proceedings of the bank as defined in Law No 232/2016, the claim on the principal amount of the instruments ranks below claims arising from any of the excluded liabilities referred to in paragraph 109^2;

c) the instruments are issued by a resolution entity on whose balance sheet there are no excluded liabilities as referred to in paragraph 109^2, that rank pari passu or junior to eligible liabilities instruments;

5) the liabilities are neither secured, nor subject to a guarantee or any other arrangement that enhances the seniority of the claim by any of the following:

a) the bank or its subsidiaries;

b) the parent undertaking of the bank or its subsidiaries;

c) any undertaking that has close links with entities referred to in letters a) and b);

6) the liabilities are not subject to set-off or netting arrangements that would undermine their capacity to absorb losses in resolution;

7) the provisions governing the liabilities do not include any incentive for their principal amount to be called, redeemed, repurchased or repaid early by the bank, as applicable, except in the cases referred to in paragraph. 109^{15};

8) the liabilities are not redeemable by the holders of the instruments prior to their maturity, except in the cases referred to in paragraph 109^{14};

9) subject to paragraphs 109^{15} and 109^{16}, where the liabilities include one or more early repayment options, including call options, the options are exercisable at the sole discretion of the issuer, except in the cases set out in paragraph 109^{14};

10) call options may be exercised and liabilities may be redeemed or repaid early only if the conditions in paragraphs 119-119^1 and 125^1-125^3;

11) the provisions governing the liabilities do not indicate explicitly or implicitly that the liabilities would be called, redeemed, repaid or repurchased early, as applicable, by the resolution entity other than in the case of the insolvency or liquidation of the bank and the bank does not otherwise provide such an indication;

12) the provisions governing the liabilities do not give the holder the right to accelerate the future scheduled payments of interest or principal, other than in the case of the insolvency or liquidation of the resolution entity;
13) the level of interest or dividend payments, as applicable, on liabilities is not amended based on the credit standing of the resolution entity or its parent undertaking;
14) the relevant contractual documentation and, where applicable, the prospectus relating to the issue explicitly refer to the possible exercise of write-down and conversion powers in accordance with paragraphs 219 to 225 of Law No 232/2016.

109^{6}. For the purposes of paragraph 109^{5} sub-paragraph 4), where some of the excluded liabilities referred to in paragraph 109^{2} are subordinated to ordinary unsecured claims under Law No 550/1995 on banks liquidation, inter alia, due to being held by a creditor who has close links with the debtor, because the creditor is or has been a shareholder, is in a control or group relationship, is a member of the management body or in relation to any of those persons, subordination shall not be assessed by reference to claims arising from those excluded liabilities.

109^{7}. In addition to the liabilities referred to in paragraph 109^{5}, the National Bank of Moldova as resolution authority may permit liabilities to qualify as eligible liabilities instruments up to an aggregate amount that does not exceed 3.5 % of the total risk exposure amount, provided that:
1) all the conditions set out in paragraph 109^{5} and 109^{6}, except for the condition set out in paragraph 109^{5} sub-paragraph 4), are met;
2) the liabilities rank pari passu with the lowest ranking excluded liabilities referred to in paragraph 109^{2}, with the exception of the excluded liabilities that are subordinated to ordinary unsecured claims referred to in paragraph 109^{6}; and
3) the inclusion of those liabilities in eligible liabilities items does not give rise to material risks of successful legal challenge or valid compensation claims, in accordance with the resolution authority's assessment in relation to the principle referred to in Article 61 sub-paragraph (1) letter (g) and Article 266 of Law No 232/2016.

109^{8}. The National Bank of Moldova, as resolution authority, may permit liabilities to qualify as eligible liabilities instruments in addition to the liabilities referred to in paragraphs 109^{5} and 109^{6}, provided that:
1) the bank is not permitted to include in eligible liabilities items liabilities referred to in paragraph 109^{7} items;
2) all the conditions set out in paragraphs 109^{5} and 109^{6}, except for the condition set out in paragraph 109^{5} sub-paragraph 4), are met;
3) the liabilities rank pari passu or senior to the lowest ranking excluded liabilities referred to in paragraph 109^{2}, with the exception of the excluded liabilities subordinated to ordinary unsecured claims referred to in paragraph 109^{6};
4) on the balance sheet of the bank, the amount of the excluded liabilities referred to in paragraph 109^{2} that rank pari passu or below those liabilities in the event of insolvency does not exceed 5 % of the amount of the own funds and eligible liabilities of the bank;
5) the inclusion of those liabilities in eligible liabilities items would not give rise to a material risk of successful legal challenge or valid compensation claims, in accordance with the resolution authority's assessment in relation to the principle referred to in Article 61 (1) letter g) and Article 266 of Law No 232/2016.

109^{9}. The National Bank of Moldova, as the resolution authority, may permit a bank to include liabilities referred to in paragraphs 109^{7} and 109^{8} only as eligible liabilities items.

109^{10}. The National Bank of Moldova shall ensure that the structure exercising the resolution function and the structure exercising the supervisory function consult each other when examining whether the conditions set out in this Subsection are met.

109^{11}. The applicable forms and nature of indirect funding of eligible liabilities instruments are determined in Annex 2.

Subsection 3
Amortisation of eligible liabilities instruments

109^{12}. Eligible liabilities instruments with a residual maturity of at least one year shall fully qualify as eligible liabilities items.

109^{13}. Eligible liabilities instruments with a residual maturity of less than one year shall not qualify as eligible liabilities items.

109^{14}. For the purposes of paragraphs 109^{12}-109^{13} where an eligible liabilities instrument includes a holder redemption option exercisable prior to the original stated maturity of the instrument, the maturity of the instrument shall be defined as the earliest possible date on which the holder can exercise the redemption option and request redemption or repayment of the instrument.

109^{15}. For the purposes of paragraphs 109^{12}-109^{13}, where an eligible liabilities instrument includes an incentive for the issuer to call, redeem, repay or repurchase the instrument prior to the original stated maturity of the instrument, the maturity of the instrument shall be defined as the earliest possible date on which the issuer can exercise that option and request redemption or repayment for that instrument.

109^{16}. For the purposes of paragraphs 109^{12}-109^{13}, where an eligible liabilities instrument includes early redemption options exercisable at the sole discretion of the issuer prior to the original stated maturity of the instrument, but the provisions governing the instrument do not include any incentive for the instrument to be called, redeemed, repaid or repurchased prior to its maturity and do not include any option for redemption or repayment at the discretion of the holders, the maturity of the instrument shall be defined as the original stated maturity.

Subsection 4
Consequences of the eligibility conditions ceasing to be met

109^{17}. Where an eligible liabilities instrument no longer meets the conditions set out in paragraphs 109^{4}-109^{11}, the liabilities immediately cease to qualify as eligible liabilities instruments.

109^{18}. Liabilities referred to in paragraph 109^{5} may continue to qualify as eligible liabilities instruments as long as they qualify as eligible liabilities instruments under paragraphs 109^{7} or 109^{8}.

Subsection 5
Deductions from eligible liabilities items and deduction of holdings of own eligible liabilities instruments

109^{19}. For the purposes of this Section, all instruments ranking pari passu with eligible liabilities instruments shall be treated as eligible liabilities instruments, except for instruments ranking pari passu with instruments recognised as eligible liabilities pursuant to paragraphs 109^{7}-109^{8}.

109^{20}. For the purposes of this Section, banks may calculate the amount of holdings of eligible liabilities instruments referred to in paragraph 109^{7}, as follows:

$$h = \sum_{i} \left(H_i \cdot \frac{l_i}{L_i} \right)$$

where:

h= the amount of holdings of the eligible liabilities instruments referred to in paragraph 109^{7};

i= the index denoting the issuing bank;

Hi= the total amount of holdings of eligible liabilities of the issuing bank i referred to in 109^{7};

l_i= the amount of liabilities included in eligible liabilities items by the issuing bank i within the limits specified in paragraph 109^{7} according to the latest disclosures by the issuing bank; and;

L_i= the total amount of the outstanding liabilities of the issuing bank i referred to in paragraph 109^{7}, according to the latest disclosures by the issuer.

109^{21}. Banks and entities referred to in Article 1 letters b)-d) of Law No 232/2016 shall deduct from eligible liabilities items their holdings of own funds instruments and eligible liabilities instruments if the own funds instruments and eligible liabilities instruments are held by a bank or an entity that is not itself a resolution entity but is a subsidiary of a resolution entity or of a third-country entity that would be a resolution entity if it were established in the Republic of Moldova or in a Member State of the European Union.

109^{22}. Banks calculate holdings on the basis of gross long positions, with the following exceptions:

1) banks may calculate the amount of holdings on the basis of the net long position, provided that both of the following conditions are met:

a) long and short positions are part of the same underlying exposure and the short positions do not involve any counterparty risk;

b) either both the long and the short positions are held in the trading book or both are held in the non-trading book;

2) banks shall determine the amount to be deducted for direct, indirect and synthetic holdings of index securities by calculating the underlying exposure to own eligible liabilities instruments in those indices;

3) banks may net gross long positions in own eligible liabilities instruments resulting from holdings of index securities against short positions in own eligible liabilities instruments resulting from short positions in underlying indices, including where those short positions involve counterparty risk, provided that both the following conditions are met:

a) the long and short positions are in the same underlying indices;

b) either both the long and the short positions are held in the trading book or both are held in the non-trading book.

Subsection 6

Trading book exception from deductions from eligible liabilities items

109^{23}. Banks may decide not to deduct a designated part of their direct, indirect and synthetic holdings of eligible liabilities instruments, that in aggregate and measured on a gross long basis is equal to or less than 5 % of the Common Equity Tier 1 items of the institution after applying paragraphs 25^{1}-32, provided that all the following conditions are met:

1) the holdings are in the trading book;

2) the eligible liabilities instruments are held for no longer than 30 business days.

109^{24}. The amounts of the items that are not deducted pursuant to paragraph 109^{23} shall be subject to own funds requirements for items in the trading book.”.

2.41. In Chapter VI then name of Section 1 shall read as follows:

“***Section 1 Distributions on instruments***”.

2.42. Paragraph 110 shall read as follows:

“**110.** Capital instruments and liabilities for which a bank has the discretion to decide to pay distributions in a form other than cash or own funds instruments shall not qualify as Common Equity Tier 1, Additional Tier 1, Tier 2 or eligible liabilities instruments unless the bank has obtained the prior approval of the National Bank of Moldova to do so.”.

2.43. In paragraph 111:

2.43.1. in the introductory paragraph, the word “are met” shall be supplemented with the word “all”;

2.43.2. in sub-paragraph 1), before the word “capacity” the following “discretionary” shall be added.

2.44. Paragraph 112 shall read as follows:

"**112.** Equity instruments and liabilities for which a legal entity other than the issuing bank has the discretion to decide or require that payments of distributions on those instruments or liabilities be made in a form other than cash or own funds instruments cannot be considered Common Equity Tier 1 instruments, Additional Tier 1 capital instruments, Tier 2 capital instruments, or eligible liabilities.".

2.45. Paragraph 112^1 shall be added with the following content:

"**112^1.** The National Bank of Moldova shall ensure that the structure exercising the supervisory function consults the structure exercising the resolution function before granting the prior permission referred to in paragraph 110.".

2.46. Paragraph 113 shall be supplemented with the words "and eligible liabilities instruments".

2.47. Paragraph 115 shall be supplemented with the words "and eligible liabilities instruments".

2.48. Chapter VI shall be supplemented with the Sections 2^1 and 2^2 with the following content:

"Section 2^1

Index holdings of capital instruments and of liabilities

118^1. For the purposes of paragraphs 51 sub-paragraph 1), 55 sub-paragraph 1), 88 sub-paragraph 1), 90 subparagraph 1), 102 sub-paragraph 1), 104 sub-paragraph 1), 10922 sub-paragraph 1), banks may reduce the amount of a long position in a capital instrument or liability by the portion of an index that is made up of the same underlying exposure that is being hedged, provided that all the following conditions are met:

1) either both the long position being hedged and the short position in an index used to hedge that long position are held in the trading book or both are held in the non-trading book;

2) the positions referred to in sub-paragraph 1) are recorded at fair value on the balance sheet of the bank;

3) the short position referred to in sub-paragraph 1) may be considered as an effective hedge in accordance with the bank's internal control procedures;

4) The National Bank of Moldova has assessed the adequacy of the internal control procedures referred to in sub-paragraph 3) at least once a year and is satisfied on each occasion with their adequacy.

118^2. With the prior approval of the National Bank of Moldova, the bank may use a conservative estimate of the bank's underlying exposure to capital instruments or to liabilities included in indices as an alternative to calculating a bank's exposure to items referred to in one or more of the following:

1) own Common Equity Tier 1, Additional Tier 1, Tier 2 and eligible liabilities instruments included in indices;

2) common Equity Tier 1, Additional Tier 1 and Tier 2 instruments of financial sector entities included in indices;

3) Bank's eligible liabilities instruments included in indices.

118^3. The National Bank of Moldova shall grant the prior approval referred to in paragraph 118^2 only where the bank has demonstrated to the satisfaction of the National Bank of Moldova that it would be operationally burdensome, as set out in Annex 1, to monitor its underlying exposure to one or more of the items referred to in paragraph 118^2.

118^4. In order to obtain the approval referred to in paragraph 118^2 the banks shall submit a written request to that effect to the National Bank of Moldova, attaching the information referred to in paragraph 118^3. The National Bank of Moldova shall examine that request no later than 15 working days after the date of that request accompanied by the said documents.

118^5. For the purposes of paragraph 118^2, an estimate shall be sufficiently conservative if any of the following conditions is met:

1) where the index investment mandate provides that an own funds instrument of a financial sector entity or an eligible liabilities instrument of a bank that is part of the index may not exceed a maximum percentage of the index, the bank shall use that percentage as an estimate for the amount of holdings that is deducted from Common Equity Tier 1, Additional Tier 1 or Tier 2 items, as applicable, or Common Equity Tier 1 items in situations where the bank cannot determine the exact nature of the holding;
2) where the bank cannot determine the maximum percentage referred to in sub-paragraph 1), and where the index, as evidenced by the investment mandate or other relevant information, includes the own funds instruments of financial sector entities or eligible liabilities instruments of banks, the bank shall deduct the total amount of the index holdings from Common Equity Tier 1, Additional Tier 1 or Tier 2 items, as applicable, or from Common Equity Tier 1 items in situations where the bank cannot determine the exact nature of the holding.
118^{6}. For the purposes of paragraph 118^{5}, the following shall apply:
1) an indirect holding resulting from an index holding shall comprise the proportion of the index invested in the Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments of financial sector entities and in the eligible liabilities instruments of banks included in the index;
2) an index includes index funds, equity or bond indices or any other scheme where the underlying instrument is an own funds instrument issued by a financial sector entity or an eligible liabilities instrument issued by a bank.

Section 2^{2}

Assessment of compliance with the conditions for own funds and eligible liabilities instruments

118^{7}. Banks shall take into account the substantive characteristics of the instruments and not only their legal form when assessing compliance with the requirements set out in Chapters I – VI.
118^{8}. For the assessment of the substantial features of an instrument, all arrangements related to the instruments shall be taken into account, even where those are not explicitly provided for in the terms and conditions of the instruments themselves, in order to determine whether the combined economic effects of those arrangements are consistent with the objective of the relevant provisions.".

2.49. In paragraph 119:

2.49.1. in sub-paragraph 1), the words ", repay" and "and/or" shall be excluded;

2.49.2. in sub-paragraph 2), the word "purchase" shall be replaced with the text "exercise call options";

2.49.3. sub-paragraph 3) shall be added with the following content:
"3) reduce, distribute or reclassify as another own funds item the share premium accounts related to own funds instruments.".

2.50. Paragraph 119^{1} shall be added with the following content:
"**119^{1}.** A bank shall obtain the prior approval of the National Bank of Moldova, as resolution authority, to effect call, redemption, repayment or repurchase of eligible liabilities instruments not covered by paragraph 119, prior to the date of their contractual maturity.".

2.51. In paragraph 120:

2.51.1. the introductory paragraph shall read as follows:
"The National Bank of Moldova, as the competent authority, shall grant permission to a bank to reduce, redeem, repay or repurchase Common Equity Tier 1, Additional Tier 1 or Tier 2 instruments, including by replacing them with other own funds instruments, or to reduce, distribute or reclassify the related share premium accounts, if the bank has demonstrated to the National Bank of Moldova, and the National Bank of Moldova considers, on the basis of available information, that:";

2.51.2. in the last paragraph, after the words "Tier 2 own funds" shall be supplemented with the words "or the related share premium accounts".

2.52. Paragraph 120[1] shall be added with the following content:
"**120[1].** Where the bank provides sufficient safeguards as to its capacity to operate with own funds above the amount required in this Regulation, including the additional own funds requirements imposed by the National Bank of Moldova pursuant to Article 139 (5) of Law No 202/2017, as well as the combined buffer requirement laid down in Regulation No 110/2018, the National Bank of Moldova may grant to that bank a general prior permission to carry out any of the actions referred to in paragraph 119, subject to criteria ensuring that any such future action is carried out in compliance with the conditions laid down in paragraph 120. Such general prior approval shall be granted for a renewable period not exceeding one year. The general prior approval shall be granted only for a certain predetermined amount, which shall be set by the National Bank of Moldova. In the case of Common Equity Tier 1 instruments, this predetermined amount shall not exceed 3 % of the relevant issue and shall not exceed 10 % of the amount by which Common Equity Tier 1 capital exceeds the sum of the Common Equity Tier 1 capital requirements laid down in this Regulation and the additional own funds requirements imposed by the National Bank of Moldova pursuant to Article 139 (5) of Law No 202/2017, as well as the combined buffer requirement laid down in Regulation No 110/2018. In the case of Additional Tier 1 or Tier 2 instruments, that predetermined amount shall not exceed 10 % of the relevant issue and shall not exceed 3 % of the total amount of outstanding Additional Tier 1 or Tier 2 instruments, as applicable.

The National Bank of Moldova, as the competent authority, shall withdraw the general prior approval if the bank breaches any of the criteria provided for the purposes of that approval.".

2.53. In paragraph 121, the text "instruments mentioned in paragraph 120 have been replaced" shall be changed and supplemented as follows "the replacement of the instruments or the related share premium accounts".

2.54. In paragraphs 122, 123, the words in the introductory paragraph "National Bank of Moldova" shall be supplemented with the text ", as competent authority,".

2.55. In paragraph 123:

2.55.1. the introductory paragraph shall read as follows:
"The National Bank of Moldova may permit banks to call, redeem, repay or repurchase Additional Tier 1 or Tier 2 instruments or related share premium accounts for five years from the date of issuance only where the conditions set out in paragraph 120 and one of the conditions specified below are met:";

2.55.2. sub-paragraphs 3) and 4) shall be added, reading as follows:
"3) prior to or at the same time as the action referred to in paragraph 119, the Bank shall replace the instruments or the related share premium accounts with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the bank, and the National Bank of Moldova approved that action as it considered it beneficial from a prudential point of view and justified by exceptional circumstances;
4) the Additional Tier 1 or Tier 2 instruments are repurchased for market making purposes.".

2.56. In paragraph 125, after the words "prior approval", the words "/general prior approval" shall be added.

2.57. Chapter VI shall be supplemented with Section 3[1] reading as follows:

"***Section 3[1]***

Permission to reduce eligible liabilities instruments

125[1]. The National Bank of Moldova as resolution authority shall grant permission to a bank to call, redeem, repay or repurchase eligible liabilities instruments if one of the following conditions is met:

1) prior to or at the same time as any of the actions referred to in paragraph 119[1], the bank shall replace the eligible liabilities instruments with own funds or eligible liabilities instruments of equal or higher quality at terms that are sustainable for the income capacity of the bank;
2) the bank has demonstrated to the satisfaction of the National Bank of Moldova, as resolution authority, that following the action referred to in paragraph 119[1], the own funds and eligible liabilities of the bank would exceed the requirements for own funds and eligible liabilities laid down in this Regulation and Law No 232/2016 by the margin that the National Bank of Moldova, as resolution authority, in accordance with the structure exercising the supervisory function, deems necessary;
3) the bank has demonstrated to the satisfaction of the National Bank of Moldova, as resolution authority, that the partial or full replacement of eligible liabilities with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in this Regulation and Law No 202/2017.
125[2]. Where a bank provides sufficient guarantees as to its capacity to operate with own funds and eligible liabilities the amount of which exceeds the requirements set out in this Regulation and in Law No 202/2017 and Law No 232/2016, the National Bank of Moldova, as resolution authority, after consultation with the structure exercising the supervisory function, may grant that bank a general prior permission to exercise call options or to redeem or repay eligible liabilities instruments, subject to criteria that ensure that any such future action is carried out in compliance with the conditions set out in paragraphs 125[1] sub-paragraph 1) and 2). This general prior permission shall be granted only for a specified period, which shall not exceed one year, after which it may be renewed. The general prior permission shall be granted for a certain predetermined amount, which shall be set by the National Bank of Moldova, as the resolution authority. The National Bank of Moldova shall ensure that the structure exercising the resolution function informs the structure exercising the supervisory function of any general prior approval granted.
The National Bank of Moldova, as resolution authority, shall withdraw the general prior permission if the bank breaches any of the criteria provided for the purposes of that permission.
125[3]. When assessing the sustainability of replacement instruments in relation to the income capacity of the bank referred to in paragraph 125[1] sub-paragraph 1), the National Bank of Moldova, as resolution authority, shall consider whether those replacement capital instruments or replacement eligible liabilities would be more costly for the bank than the capital instruments or eligible liabilities it would replace.
125[4]. Sustainable for the income capacity of the bank under paragraph 125[1] means that the profitability of the bank, as assessed by the National Bank of Moldova as the resolution authority, remains sound or does not change negatively after the replacement of the eligible liabilities instruments by own funds or eligible liabilities instruments of equal or higher quality, at that date and for the foreseeable future. This assessment takes into account the bank's profitability in crisis situations.".

2.58. Paragraph 126 shall read as follows:

"**126.** Where a bank holds capital instruments, liabilities or subordinated loans, as applicable, that qualify as Common Equity Tier 1/Equity Capital, Additional Tier 1 or Tier 2 instruments of a financial sector entity or as eligible liabilities instruments of the bank on a temporary basis and the National Bank of Moldova deems those holdings to be for the purposes of a financial assistance operation designed to restructure and restore the viability of that entity or bank, the National Bank of Moldova, as the competent authority, may waive on a temporary basis the provisions on deduction that would otherwise apply to those instruments.".

2.59. In paragraph 128, in the second sentence, the words "of the financial sector" shall be supplemented with the words "or eligible liabilities instruments".

2.60. Paragraph 129 shall read as follows:

"**129.** For the purpose of granting a temporary waiver for deduction from own funds and eligible liabilities, as applicable, the National Bank of Moldova may deem holdings for a financial assistance operation designed to restructure a financial sector entity or a bank, where the operation is carried out under a plan and approved by the National Bank of Moldova as the competent authority, and where the plan clearly sets out the milestones, timeline, objectives and specifies the interaction between the holdings and the financial assistance operation.".

2.61. In paragraph 129^4:

2.61.1. sub-paragraph 1) letter a), the words "the common equity" shall be replaced with the text "cumulatively, the amount of common equity";

2.61.2. sub-paragraph 2) shall read as follows:

"2) the minority interests of the subsidiary expressed as a percentage of all Common Equity Tier 1 items of that undertaking.";

2.61.3. the following new paragraph shall be added:

"By way of derogation from sub-paragraph 1), banks may subtract any of the amounts referred to in sub-paragraph 1), after having demonstrated to the satisfaction of the National Bank of Moldova, as the competent authority, that the additional amount of minority interest is available to absorb losses at consolidated level.".

2.62. Paragraph 129^5 :

2.62.1. in the introductory paragraph, the words "of the National Bank of Moldova" shall be supplemented with the text ", as competent authority";

2.62.2. sub-paragraph 3), after the words "consolidates a subsidiary" shall be supplemented with the text ", which is a bank,".

2.63. Paragraph 129^{11} shall be supplemented with a new paragraph reading as follows:

"By way of derogation from the sub-paragraph 1), banks may subtract either of the amounts referred to in sub-paragraph 1), once that institution has demonstrated to the satisfaction of the National Bank of Moldova, as competent authority that the additional amount of Tier 1 capital is available to absorb losses at consolidated level.".

2.64. In paragraph 129^{13}:

2.64.1. sub-paragraph 2) shall read as follows:

"2) the eligible own funds of the undertaking, expressed as a percentage of all Common Equity Tier 1 instruments, Additional Tier 1 items and Tier 2 items, excluding the amounts referred to in paragraphs 96 sub-paragraphs 3) and 4), of that undertaking.";

2.64.2. the following new paragraph shall be added:

"By way of derogation from sub-paragraph 1), banks may subtract any of the amounts referred to in sub-paragraph 1), after having demonstrated to the satisfaction of the National Bank of Moldova as the competent authority that the additional amount of own funds is available to absorb losses at consolidated level.".

2.65. Paragraphs 129^{15} and 129^{16} shall be added with the following content:

"**129^{15}.** Where the National Bank of Moldova, as the competent authority, waives the application of prudential requirements on an individual basis, as laid down in paragraph 13 of Regulation No 101/2020, minority interests, Common Equity Tier 1 instruments and own funds instruments respectively, within the subsidiaries to which the waiver is applied shall not be recognised as own funds at consolidated level.

129^{16}. For the purposes of paragraph 129^{15}, where the waiver applies to a subsidiary, any parent undertaking of the subsidiary that benefits from the waiver may include in its Common Equity Tier 1 capital minority interests arising from subsidiaries of the subsidiary that benefits from the waiver,

provided that the calculations set out in paragraph 129^4 have been carried out for each of those subsidiaries. The amount of Common Equity Tier 1 capital included in the own funds at the level of the parent undertaking shall not exceed the amount that would have been included had the subsidiary not benefited from any waiver.”.

2.66. Paragraph 131^1 shall be added with the following content:
“**131^1.** Banks shall calculate the total risk exposure amount as follows:

TREA = max {U-TREA; x · S-TREA}

where:

TREA = the total risk exposure amount of the entity;

U-TREA = the un-floored total risk exposure amount of the entity calculated in accordance with paragraph 132;

S-TREA = the standardised total risk exposure amount calculated in accordance with paragraph 132^1;

x = 72,5%.”.

2.67. Paragraph 132 shall read as follows:
“**132.** The un-floored total risk exposure amount shall be equal to the sum of sub-paragraphs 1)-6), after taking into account the provisions set out in paragraph 133:
1) risk weighted exposure amounts for credit risk, including counterparty credit risk, and dilution and free deliveries risk calculated in accordance with Regulation No 111/2018, the National Bank of Moldova’s legislation for the treatment of credit risk under the Internal Ratings Based Approach, the Regulation on the treatment of counterparty credit risk for banks approved by Decision of the Executive Board of the National Bank of Moldova No 220/2025 (hereinafter – Regulation No 220/2025) and Regulation No 115/2018, in relation to all activities of a bank, excluding risk weighted exposure amounts from the bank’s trading book;
2) own funds requirements applicable to a bank’s trading book, for market risk, determined in accordance with Regulation No 114/2018 and the Large Exposures Regulation approved by Decision of the Executive Board of the National Bank of Moldova No 109/2019 (hereinafter – Regulation No 109/2019), on large exposures exceeding the limits set by Regulation No 109/2019, to the extent that a bank may exceed those limits under its terms;
3) own funds requirements for foreign exchange risk and commodities risk determined in accordance with Regulation No 114/2018;
4) own funds requirements for settlement risk determined in accordance with Regulation No 115/2018;
5) own funds requirements for operational risk determined in accordance with the Regulation on the own funds requirement for banks' operational risk according to the Basic Indicator Approach and the Standardised Approach, approved by Decision of the Executive Board of the National Bank of Moldova No 311/2025;
6) own funds requirements for credit valuation adjustment risk, calculated in accordance with the Regulation on the treatment of credit valuation adjustment risk for banks approved by Decision of the Executive Board of the National Bank of Moldova No 103/2020;
7) risk weighted exposure amounts determined in accordance with Regulation No 220/2025 for counterparty risk arising from the trading book of the bank for contracts listed in Annex 1 of Regulation No 114/2018 and credit derivatives, repurchase transactions, securities or commodities lending or borrowing transactions based on securities or commodities, margin lending transactions based on securities or commodities and long settlement transactions.”.

2.68. Paragraph 132^1 shall be added with the following content:

“**132^{1}.** The standardised total risk exposure amount shall be calculated as the sum of sub-paragraphs 1)-7) of paragraph 132, after taking into account the provisions set out in paragraph 133. For those purposes, the risk-weighted exposure amounts for credit risk, including counterparty credit risk, and dilution risk, referred to in paragraph 132 sub-paragraph 1), as well as for counterparty credit risk arising from the trading book business referred to in paragraph 132 sub-paragraph 7), shall be calculated without using any of the following approaches:
1) the internal model approach for master netting agreements;
2) internal Ratings Based Approach under the normative act of the National Bank of Moldova on the treatment of banks' credit risk under the Internal Ratings Based Approach.”.

2.69. In paragraph 133:
2.69.1. in the introductory paragraph, the words “referred to in paragraph 132.” shall be replaced by the words “un-floored as referred to in paragraph 132 and standardised total risk exposure amount as referred to in paragraph 132^{1}:”;
2.69.2. in sub-paragraph 1), the text “3) and 4)” shall be replaced by the text “3^{1}) – 5)”.
2.70. Paragraph 135 shall read as follows:
“**135.** Banks may replace the capital requirement referred to in paragraph 132 sub-paragraph 2) by a capital requirement calculated in accordance with paragraph 135^{1} in respect of their trading-book business, provided that the size of their on- and off-balance-sheet trading-book business is equal to or less than the following thresholds, on the basis of an assessment carried out on a monthly basis using data as of the last day of that month:
1) 5 % of the bank's total assets;
2) MDL equivalent of EUR 50 million.”.

2.71. Paragraph 135^{1} shall be added with the following text:
“**135^{1}.** Where both conditions set out in paragraph 135 are met, banks may calculate the own funds requirement for the trading book as follows:
1) for contracts listed in Annex 1, paragraph 1, of Regulation No 114/2018, contracts relating to equities referred to in paragraph 3 of that Annex and credit derivatives, institutions may exclude those positions from the own funds requirement referred to in paragraph 132 sub-paragraph 2);
2) for trading book positions other than those referred to in sub-paragraph 1), banks may replace the own funds requirement referred to in paragraph 132 sub-paragraph 2) with the requirement calculated in accordance with paragraph 132 sub-paragraph 1) and paragraph 132^{1}.”.

2.72. Paragraph 136 shall read as follows:
“**136.** When assessing the size of on- and off-balance sheet operations, banks shall apply the following requirements:
1) all the positions assigned to the trading book in accordance with Regulation No 114/2018 shall be included in the calculation, except for the following:
a) positions concerning foreign exchange and commodities;
b) positions in credit derivatives that are recognised as internal hedges against non-trading book credit risk exposures or counterparty risk exposures and the credit derivate transactions that perfectly offset the market risk of those internal hedges as referred to in Regulation No 114/2018;
2) all positions included in the calculation in accordance with sub-paragraph 1) shall be valued at their market value at that date; where the market value of a position is not available on a given date, banks shall take a fair value for that position on that date; where the market value and fair value of a position are not available on a given date, banks shall take the most recent market value or fair value for that position;
3) the absolute value of the aggregated long position shall be summed with the absolute value of the aggregated short position.

A long position is one where the market value of the position increases when the value of its main risk driver increases, and a short position is one where the market value of the position decreases when the value of its main risk driver increases.
The value of the aggregated long position, respectively the aggregated short position, shall be equal to the sum of the values of the individual long positions, respectively the individual short positions, included in the calculation in accordance with sub-paragraph 1).".

2.73. Paragraph 136^{1} shall be added with the following content:
"**136^{1}.** Where both conditions set out in paragraph 135 are met, the requirements for trading book management set out in Regulation No 114/2018 do not apply.".

2.74. Paragraph 137 shall read as follows:
"**137.** Banks shall immediately notify the National Bank of Moldova in writing when they calculate, or cease to calculate, the own funds requirements for their trading book in accordance with paragraph 135^{1}. If a bank no longer meets the conditions in paragraph 135, it must immediately notify the National Bank of Moldova in writing. If, following notification, the National Bank of Moldova, following an assessment, finds that the bank does not meet the requirements of paragraph 135 and informs the bank thereof, the bank will cease to apply paragraph 135 as of the next reporting date.".

2.75. Paragraphs 137^{1}, 137^{2} and 137^{3} shall be added with the following context:
"**137^{1}.** A bank shall cease to calculate its own funds requirements for the trading book in accordance with paragraph 135^{1} within three months if any of the following occurs:
1) the bank does not meet the conditions set out in paragraph 135 for three consecutive months;
2) the bank does not meet the conditions set out in paragraph 135 for more than six of the previous 12 months.
137^{2}. Where a bank has ceased to calculate the own funds requirements for its trading book in accordance with paragraphs 135^{1}, it may only calculate the own funds requirements for its trading book in accordance with paragraph 135^{1} if it demonstrates to the National Bank of Moldova that all the conditions set out in paragraph 135 have been met for an uninterrupted period of one year.
137^{3}. Banks shall not enter into, buy or sell a trading book position for the sole purpose of complying with any of the conditions set out in paragraph 135 during the monthly assessment.".

2.76. Paragraph 138^{1} shall be added with the following content:
"**138^{1}.** The Bank may distribute profits to shareholders and/or make interest payments to holders of Additional Tier 1 instruments, provided that the following requirements are simultaneously met as a result of such distribution:
1) the bank's own funds shall meet the own funds requirements laid down in this Regulation, including the additional own funds requirements imposed by the National Bank of Moldova pursuant to Article 139 paragraph (5) of Law No 202/2017, as well as the combined buffer requirement laid down in Regulation No 110/2018;
2) the bank complies with all prudential metrics;
3) the Bank shall comply with the supervisory and recovery measures imposed by the National Bank of Moldova;
4) the distribution of dividends will not jeopardise the stability of the bank by assessing the impact of economic and social events, including subsequent events, on the stability of the bank and its ability to comply with the bank's prudential and financial performance indicators relating to income and profitability of capital, assets, determined at least by assessing the results of the stress tests.
The bank shall seek prior approval from the National Bank of Moldova for annual cumulative distributions equal to or exceeding 25% of the bank's net profit of the previous year.
The bank shall notify the National Bank of Moldova in writing of the distribution made under this paragraph at least 10 working days before the meeting of the Board of the Bank at which the question

of the distribution of profits to shareholders under this paragraph will be considered if the annual cumulative distributions constitute up to 25% of the bank's net profit of the previous year.".

2.77. In paragraph 139, the text "30 days" shall be replaced with the text "40 working days".

2.78. In paragraph 143, the text "20 days" shall be replaced with the text "maximum 30 working days".

2.79. In paragraph 144, the text "10 days" shall be supplemented with the word "working".

2.80. In paragraph 147, the words "own funds" shall be supplemented with the text "on an individual and consolidated basis".

2.81. In Annex 1:

2.81.1. the title of Annex 1 shall read as follows:

"**Meaning of the concept "foreseeable" in the wording "foreseeable dividends" and "foreseeable liabilities", the concept "gain on sale," and the concept "operationally burdensome""**;

2.81.2. after the title of Annex 1, the text "***Section 1 Meaning of concept "foreseeable" in the terms "foreseeable dividends" and "foreseeable liabilities"*** shall be added";

2.81.3. Sections 2 and 3 shall be added, reading as follows:

"***Section 2***

Meaning of the concept "gain on sale" for the purposes of paragraph 25¹ sub-paragraph 1)

13. For the purposes of paragraph 25¹ sub-paragraph 1), the concept of "gain on sale" means any gain on sale, recognised to the bank, that is recorded as an increase in any item of own funds and that is associated with the future income from exposures arising from the sale of securitised assets at the time they are removed from the bank's balance sheet in the context of a securitisation.

14. The gain on sale recognised shall be determined as the difference between the amounts in sub-paragraph 1) and 2) below as determined applying the accounting framework:

1) the net value of the assets received including any new asset obtained less any other asset given or any new liability assumed; and

2) carrying amount of the securitised assets or the part no longer recognised.

15. The recognised gain on sale that is associated with future exposure income refers, in this context, to the estimated future "excess spread" defined as finance income and other fee income received on the securitised exposures net of costs and expenses.

Section 3

Meaning of the concept "operationally burdensome"

16. For the purposes of paragraph 118³, "operationally burdensome" means situations where look-through approaches to holdings of capital instruments in financial sector entities or to holdings of eligible liabilities instruments in banks on an ongoing basis are unjustified, as assessed by the National Bank of Moldova. In their assessment of the nature of operationally burdensome situations, competent authorities shall take into account the low materiality and short holding period of such positions. A short holding period requires the bank to highlight the high liquidity of the index.

17. For the purposes of paragraph 16, a position shall be considered to be of low materiality where all of the following conditions are met:

a) the individual net exposure arising from index holdings measured before any look-through is applied does not exceed 2 % of Common Equity Tier 1 items as calculated in paragraph 56 sub-paragraph 1);

b) the aggregate net exposure arising from index holdings measured before any look-through is applied does not exceed 5 % of Common Equity Tier 1 items as calculated in paragraph 56 sub-paragraph 1);

c) the sum of the aggregated net exposure arising from index holdings measured before any look-through is applied and any other holdings that shall be deducted in accordance with paragraph 30 sub-paragraph 7) does not exceed 10 % of Common Equity Tier 1 items as calculated in paragraph 56 sub-paragraph 1).".

2.82. In Annex 2:

2.82.1. the name shall be supplemented by ", and liabilities – eligible liabilities instruments";

2.82.2. paragraph 1 shall be supplemented by the words "or the bank's liabilities";

2.82.3. in paragraph 2, the words "capital instruments of" shall be replaced by "capital instruments or liabilities" and after the words "equity instruments" shall be supplemented by "or liabilities";

2.82.4. paragraphs 3 and 4 shall read as follows:

"**3.** Indirect financing of capital instruments pursuant to paragraphs 16 sub-paragraph 2), 70 sub-paragraph 3), 97 sub-paragraph 3), as well as acquisition liabilities which have not been indirectly financed by the bank pursuant to paragraph 109^5 shall be considered as financing which is not direct.";

4. The applicable forms and nature of indirect funding related to the acquisition of capital instruments and liabilities of a bank include the following:

1) finance the acquisition of ownership by an investor, at issuance or thereafter, of capital instruments or liabilities of a bank by any entities over which the bank has direct or indirect control or by entities within the scope of the bank's accounting or prudential consolidation and/or within the scope of the bank's supplementary supervision pursuant to Law No 250/2017;

2) financing of the acquisition of ownership by an investor, at issuance or thereafter, of capital instruments or liabilities of a bank by entities which are protected by a guarantee or the use of a credit derivative, or which are otherwise insured, so that the credit risk is transferred to the bank or to any of the entities over which that bank has direct or indirect control, or by any entity included in the scope of the bank's accounting or prudential consolidation and/or in the scope of the bank's supplementary supervision pursuant to Law No 250/2017;

3) financing provided to a borrower who transfers the financing to the ultimate investor for the purchase, at issue or thereafter, of capital instruments of a bank.";

2.82.5. paragraph 5^1 shall be added, reading as follows:

"**5^1.** The applicable forms and nature of indirect funding related to the acquisition of ownership of a bank's capital instruments and liabilities include circular intra-group funding. For this purpose, circular intragroup financing means any of the following:

1) situations where a bank has provided credit or other financing in any form to one of the entities referred to in paragraph 4 sub-paragraph 1) through another entity referred to in the same paragraph that is used to acquire ownership of the bank's capital instruments or liabilities;

2) financing provided to one of the entities referred to in paragraph 4 sub-paragraph 1) for purposes other than the acquisition of ownership of capital instruments or liabilities of a bank through another entity referred to in the same paragraph, provided that, taking into account any additional guidance provided by the National Bank of Moldova as the competent authority for capital instruments or the resolution authority for liabilities, the bank is not able to demonstrate that the transaction is carried out on similar terms as other transactions with third parties and that the investor does not need to rely on distributions or the sale of capital instruments or liabilities held to bear interest payments and repayment of funding.";

2.82.6. in paragraph 6, after the words "capital instrument" shall be supplemented by "or a liability";

2.82.7. in paragraph 7, the words "the purpose of directly or indirectly subscribing to bank capital instruments" shall be replaced by the words "for the purpose of acquiring directly or indirectly capital instruments or liabilities of the bank".

2.83. Annex 3^{1} shall be added with the following content:

"Annex 3^{1}
to the Regulation on own funds and capital requirements

Cooperative credit societies, savings institutions, mutual societies and similar institutions

A type of undertaking recognised under applicable national law qualifies as a cooperative society, savings institution, mutual or similar institution within the meaning of paragraph 23^{2} of the Regulation on own funds and capital requirements where all of the following conditions are met:

1. With respect to Common Equity Tier 1 capital, to qualify as a cooperative society, a savings institution, a mutual society or an institution similar to a cooperative society, a mutual society or a savings institution, the company may issue, according to the applicable national law or the statutes of the company, at the level of the legal person, only the capital instruments referred to in paragraphs 23^{3}-23^{8}.

2. To qualify as a cooperative society, where the holders of Common Equity Tier 1 instruments referred to in sub-paragraph 1), who may or may not be members of the company, have the ability to resign under the applicable national law, they may also enjoy the right to put the capital instrument back to the company, but only subject to the restrictions of the applicable national law, the company statutes and this Regulation. This shall not prevent the company from issuing, under applicable national law, Common Equity Tier 1 instruments complying with paragraphs 23^{3}-23^{8} to both members and non-members that do not give the right to put the capital instrument back to the company.

3. To qualify as a savings institution, the sum of capital, reserves and interim or year-end profits may not be distributed, according to the applicable national law, to holders of Common Equity Tier 1 instruments. This condition shall be deemed to be met even where the savings institution issues Common Equity Tier 1 instruments that entitle holders, on a going-concern basis, to a share in the profits and reserves where permitted by applicable national law, provided that such share is proportionate to their contribution to capital and reserves or, where permitted by applicable national law, in accordance with an alternative arrangement. The savings institution may issue Common Equity Tier 1 instruments that entitle the holders, in the event of its insolvency or liquidation, to reserves that do not need to be proportionate to the contribution to capital and reserves, provided that the conditions in paragraphs 23^{6}-23^{8} are met.

4. To qualify as a mutual, the total or partial amount of the sum of the capital and reserves must be held by the members of the company, who do not, in the normal course of their business, benefit from the direct distribution of the reserves, in particular through the payment of dividends. Those conditions shall be deemed to be met even where the undertaking issues Common Equity Tier 1 instruments that grant a right to profits and reserves, where permitted by applicable national law.

5. In order to qualify as a similar institution to cooperative societies, mutual societies and savings institutions, one or more of the following conditions shall be met:

1) where the holders of Common Equity Tier 1 instruments referred to in paragraph 1, who may or may not be members of the company, have the ability to resign under the applicable national law, they may also have the right to put the capital instrument back to the company, but only subject to the restrictions of the applicable national law, the company statutes and this Regulation. This shall not prevent the undertaking from issuing, under applicable national law, Common Equity Tier 1 instruments complying with paragraphs 23^{3}-23^{8} for both members and non-members, which do not give the right to put the capital instrument back to the company;

2) the sum of capital, reserves and interim or year-end profits, is not allowed, according to national applicable law, to be distributed to holders of Common Equity Tier 1 instruments. This condition shall be deemed to be met even where the company issues Common Equity Tier 1 instruments that entitle holders, on a going-concern basis, to a share in the profits and reserves where permitted by applicable national law, provided that such share is proportionate to their contribution to the capital and reserves or, where permitted by applicable national law, in accordance with an alternative arrangement. The company may issue Common Equity Tier 1 instruments that entitle the holders, in the event of the company's insolvency or liquidation, to reserves that do not need to be proportionate to the contribution to capital and reserves, provided that the conditions in paragraphs 23^6-23^8 are met;
3) the total or partial amount of the sum of the capital and reserves is held by the members of the company, who do not benefit, in the normal course of business, from the direct distribution of the reserves, in particular through the payment of dividends.".

2.84. Annex 4^1 shall be added with the following content:

"Annex 4^1
to the Regulation on own funds and capital requirements

Deduction of software assets that are classified as intangible assets for accounting purposes within the meaning of paragraph 30 sub-paragraph 2)

1. Software assets that are intangible assets shall be deducted from Common Equity Tier 1 items in accordance with paragraphs 5 to 9. The amount to be deducted shall be determined on the basis of the prudential accumulated amortisation calculated in accordance with paragraphs 2 to 4.

2. Banks shall calculate the amount of prudential accumulated software amortisation by multiplying the amount obtained from the calculation referred to in sub-paragraph 1) by the number of days referred to in sub-paragraph 2):

1) the value at which the software was initially recognised on the balance sheet of the bank under the accounting framework, divided by the lower of:

a) number of days of useful life of the software as estimated for accounting purposes;

b) three years, expressed in days, starting from the date referred to in paragraph 3;

2) days since the date referred to in paragraph 3, provided that it does not exceed the period referred to in letter a) of sub-paragraph 1).

3. The prudential accumulated amortisation referred to in paragraph 1 shall be calculated from the date on which the software is available for use and starts to be amortised for accounting purposes.

4. By way of derogation from paragraph 3, where software has been acquired from any undertaking, including a non-financial sector entity, that is part of the same group as the bank, the prudential accumulated amortisation referred to in paragraph 1 shall be calculated from the date on which that software started to be amortised on that undertaking's balance sheet under the applicable accounting framework.

5. Banks shall deduct from Common Equity Tier 1 items the amount resulting from the difference, if positive, between the amount in sub-paragraph 1) and the amount in sub-paragraph 2):

1) prudential accumulated amortisation of a software asset calculated in accordance with paragraphs 2, 3 and 4;

2) the sum of the accumulated amortisation and any accumulated impairment losses of that software programme accounted for on that bank's balance sheet under the accounting framework.

6. By way of derogation from paragraph 5, until the date on which the software is available for use and starts to be amortised for accounting purposes, banks shall deduct from Common Equity Tier 1 items the total amount at which the software is accounted for on the balance sheet of the bank under the accounting framework.

7. The prudential amortisations and deductions provided for in this Annex shall be made separately for each software application.

8. Banks' investments in the maintenance, improvement or upgrade of existing software assets are treated as assets other than related software assets, provided that such investments are recognised as intangible assets on that bank's balance sheet under the accounting framework.

9. Without prejudice to paragraph 6, the prudential accumulated amortisation of these investments in maintenance, enhancement or upgrade of existing software assets shall be calculated from the date on which they start to be amortised under the applicable accounting framework.

10. The prudential accumulated amortisation of related existing software assets shall continue to be calculated from the date of their own initial amortisation for accounting purposes until the end of the period of prudential amortisation determined in accordance with paragraph 2 sub-paragraph 1).".

2.85. In Annex 5:

2.85.1. after the title of Annex 5, the text shall be supplemented with "***Section 1 Application for prior approval***";

2.85.2. in paragraph 1, amendments N/A;

2.85.3. paragraph 2 shall read as follows:

"Where the bank has obtained the prior approval of the National Bank of Moldova, including the general prior approval, and has publicly announced its intention to repay, reduce or redeem an own funds instrument, the bank shall deduct the corresponding amounts to be redeemed, reduced or repurchased, or the amounts of the related share premium accounts to be reduced or distributed, as applicable, from the corresponding elements of its own funds before the effective repayment, reduction, or redemption or distribution takes place.";

2.85.4. paragraph 4 shall read as follows:

"**4.** The application referred to in paragraph 3 of this Annex shall be accompanied by the following information:

1) a duly justified explanation of the reasons for carrying out one of the operations referred to in paragraph 3;

2) information on whether the bank applies for a prior permission or a general prior permission, taking into account additional information to be submitted under Section 2, as applicable;

3) where the bank wishes to exercise a call, redeem, repurchase or repurchase Additional Tier 1 or Tier 2 instruments or related share premium accounts during the five years following their date of issuance, how the conditions set out in paragraph 123 are met;

4) information on capital requirements and capital buffers, and on the leverage ratio requirement, covering at least a period of 3 years, including the level and composition of own funds before and after the action takes place and the impact of the action on regulatory requirements;

5) current and forward-looking information on the level and composition of own funds and the level and composition of own funds and eligible liabilities held to ensure compliance with the requirements referred to in sub-paragraph 4) before and after performing any of the actions listed in paragraph 119, respectively;

6) the bank's summary assessment of the impact of the action that the Bank intends to take in accordance with paragraph 119 and any such actions that the Bank intends to take in addition within three years, with respect to compliance with the requirements referred to in sub-paragraph 4);

7) where the bank wishes to replace the own funds instruments or the related share premium accounts:

a) information on the residual maturity of the replaced own funds instruments, if any, and the maturity of the own funds instruments replacing them;

b) ranking in insolvency hierarchy of replaced own funds instruments and own funds instruments replacing them;

c) cost of own funds instruments replacing instruments or share premium accounts;
d) planned timing of issuance of the own funds instruments replacing the instruments or share premium accounts;
e) impact of the replacement of a capital instrument on the profitability of the bank as per paragraph 120 of the Regulation on own funds of banks and capital requirements;
8) an assessment of the risks to which the bank is or might be exposed and whether the level of own funds ensures an adequate coverage of those risks, including stress testing of key risks highlighting potential losses under different scenarios;";

2.85.5. paragraph 6 shall read as follows:

"**6.** The National Bank of Moldova shall examine the request referred to in paragraph 3 of this Annex no later than 40 working days after the date of submission of the request accompanied by all the documents to be submitted to the National Bank of Moldova. The time limit may be extended by a maximum of 10 working days, with the bank subsequently informed at least 3 days before the expiry of the time limit for examining the application.";

2.85.6. Sections 2, 3 and 4 shall be added with the following content:

"***Section 2***
Additional information to be submitted with an application for general prior approval

8. Where a general prior permission is sought for an action under paragraph 119 sub-paragraph 1) of that Regulation, the application shall specify the amount of each relevant Common Equity Tier 1 issue subject to that application.

9. Where general prior permission is sought for an action under paragraph 119 sub-paragraph 2), the application shall specify the following:
1) amount of each relevant outstanding issue covered by the request;
2) total carrying amount of instruments outstanding at each relevant capital level.

10. An application for general prior permission may include own funds instruments to be issued, subject to specification of the information referred to in paragraph 9, where applicable, to be provided to the National Bank of Moldova following the relevant issue.

Section 3
Information to be submitted with an application for renewal of the general prior approval

11. Before the expiry of a general prior permission, the bank may apply for its renewal for an additional period of up to one year each time, provided that the bank does not request an increase in the predetermined amount provided at the time when the general prior permission was granted and does not change the reasons referred to in paragraph 4 sub-paragraph 1) of Section 1, presented when the initial general prior permission was sought.

12. When applying for renewal of the general prior permission, the bank shall not be required to provide the information referred to in paragraph 4 sub-paragraphs 1)-4), 6) and 7) of Section 1.

Section 4
Deadlines for the submission of the application by the banks

13. For prior approval or general prior approval, the bank shall submit a complete application and the required information to the National Bank of Moldova at least three months before the date on which one of the actions listed in paragraph 119 will be announced to the holders of the instruments.

14. By way of derogation from paragraph 13, if the renewal of a general prior permission is requested, the bank shall transmit the request and the requested information to the National Bank of Moldova at least three months before the expiry of the period for which the initial general prior permission was granted.

15. The National Bank of Moldova may allow banks, on a case-by-case basis and in exceptional circumstances, to submit the request referred to in paragraphs 13 and 15 within a period shorter than the periods set out in those paragraphs.

16. The National Bank of Moldova shall process an application within the time limit referred to in paragraphs 13 to 15, as applicable. The National Bank of Moldova shall take into account new information received during this period, where available and where it considers it to be significant. The National Bank of Moldova shall process the request only if the bank has provided all the information set out in this Annex.”.

3. Paragraph 30 sub-paragraph 12) of the regulation referred to in paragraph 2, relating to the applicable amount of insufficient coverage for non-performing exposures, will not apply to exposures originated until the entry into force of this Decision.

4. This Decision shall enter into force on 1 July 2027, with the exception of paragraph 2.76 concerning distributions to shareholders, which shall enter into force on the expiry of one month from the date of its publication in the Official Gazette of the Republic of Moldova, and paragraphs 2.7, 2.8, 2.40, 2.45 to 2.48, 2.50, 2.57 to 2.59, 2.82.1, 2.85.4 in the part concerning eligible liabilities and any conditions and references to eligible liabilities which shall enter into force on the date of entry into force of the Treaty of Accession of the Republic of Moldova to the European Union.